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SENATE BILL 2655

By Dixon

AN ACT to amend Tennessee Code Annotated, Title 5 and Title 6, relative to the taxation of certain motor vehicles.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 5, Chapter 8, is amended by adding the following new section:

Section 5-8-109.

(a) Each county is empowered to levy, on motor vehicles required to be registered under Title 55, and for which a fee is paid under Section 55-4-111, Class A or C for personal use, for county purposes by action of its governing body, a motor vehicle privilege tax either under the provisions of this act, or pursuant to a private act or §5-8-102 generally referred to as a wheel tax.

(b) The tax imposed pursuant to this act shall be levied on the current average or "trade-in" value of the vehicle.

(c) The rate of the tax shall be set by resolution of the county legislative body on a percentage of the value of the vehicle, but there shall be a minimum tax of fifty dollars (\$50.00) on each vehicle, regardless of assessed value.

(d) Current average or trade-in values shall be determined using the National Automobile Dealers' Association Official Car Guide, Southeastern edition (NADA guide),

or its successor publication, or a comparable guide designated by the county legislative body. The county legislative body may determine by appropriate means the value of vehicles not included in the NADA guide or vehicles whose values differ substantially from the NADA guide, such as rebuilt vehicles.

(e) The tax shall be payable annually at the same time and in the same manner as registration fees are paid under Title 55, Chapter 4, Part 1.

(f) A person licensed as a motor vehicle sales dealer under the provisions of Title 55, Chapter 17, may act as agent for either the county clerk or the commissioner for initial collection of the tax imposed by this section or for prorata refund requests.

(g) The assessor of property shall determine the annual valuation of each motor vehicle and provide the data to the county clerk. The county clerk shall prepare an annual motor vehicle tax statement which shall be sent to the owner of the vehicle at the same time as registration notices are sent by the commissioner of safety for the annual renewal of registration fees. Failure to receive such notice shall not excuse untimely payment of the tax.

(h) In assessing, collecting, and enforcing this tax, the county clerk shall have all other powers provided for the assessment, collection, and enforcement of registration or other privilege taxes.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.